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The President's Daily Brief

June 14, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

June 14, 1974

PRINCIPAL DEVELOPMENTS

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Cambodian Prime Minister Long Boret's resignation is a formality that will allow him to form a new cabinet. (Page 3)

Saudi Arabia has spent some \$400 million of its oil revenue on foreign economic aid so far this year. (Page 4)

The military take-over in Sana yesterday was prompted by a dispute over government handling of a recently uncovered Iraqi-backed coup plot. (Page 5)

Notes on the fedayeen attack yesterday, UK Foreign Secretary Callaghan's speech to parliament, EC-Portugal, [redacted] and Thailand appear on Pages 6 and 7.

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CHINA

The Peking municipal leadership is being criticized in political wall posters appearing in the Chinese capital. The specific charges--alleging repression of the anti-Confucius campaign in the city and the removal several years ago of workers and peasants from the city's ruling groups--are local in their focus. The criticism, nevertheless, reaches ultimately into the national leadership, for the political boss of Peking, Wu Te, is a member of the Politburo.

The appearance of these posters after a relative lull in the anti-Confucius campaign seems to signal a resumption of political--and potentially disruptive--activity. The posters fall, however, well within the moderate ground rules for the conduct of the current political campaign. They have not been posted indiscriminately throughout the city, but only on one building; they make no attacks by name; and they appeal to the Peking party leadership to conduct the campaign.

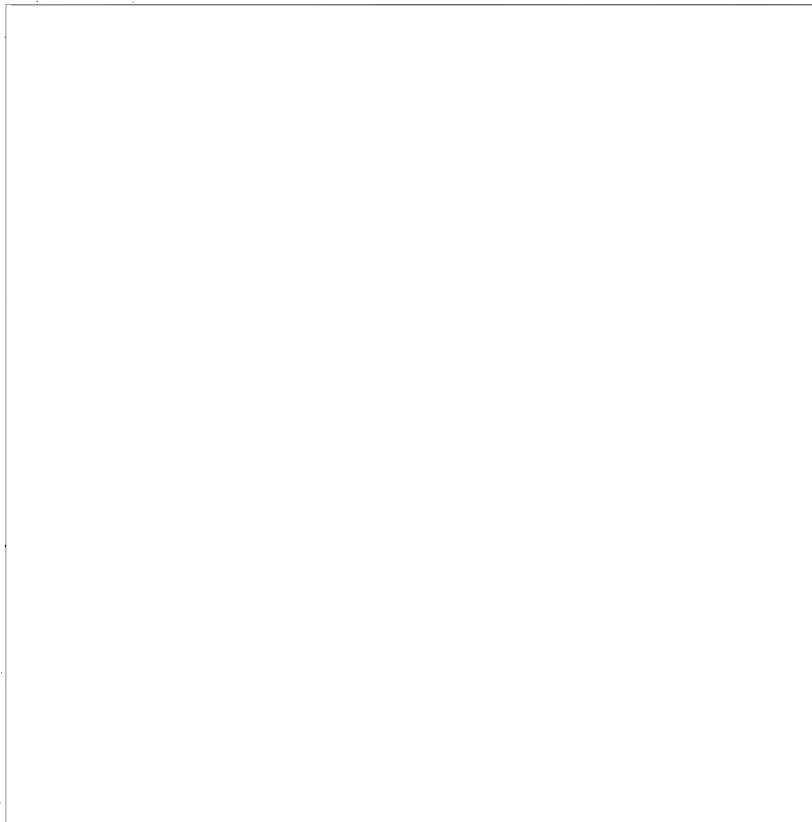
The nature of the criticism suggests that the posters are the work of leftists. No officials are attacked by name, but the chief target is probably Wu Te himself. As the head of the government organization in charge of culture, Wu seemed to be under attack last winter for allowing an opera that angered the leftists to be performed in a national theatrical festival in Peking. The cultural attacks failed to claim any high-level victims, and the latest criticism, which does not raise the cultural issue, may be another attempt to undercut Wu.

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CAMBODIA

Prime Minister Long Boret's resignation is a formality that will allow him to form a new cabinet, which apparently will not include any members of Sirik Matak's minority Republican Party. According to the US embassy, the cabinet will consist of independents and members of President Lon Nol's Socio-Republican Party. A senior Republican, however, will join Matak on an expanded Executive Council, the country's top policy-making body, thereby maintaining the government's coalition character.

These moves are designed in part to placate the Socio-Republicans who dominate the National Assembly and whose harassment of Republican ministers in the outgoing cabinet provoked much of the recent political ferment in Phnom Penh.

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The reshuffling will enable the government to begin functioning again, but a new cabinet may not be any more effective than its predecessor.

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SAUDI ARABIA

Saudi Arabia has spent some \$400 million of its oil revenue on foreign economic aid so far this year. The total could approach \$1 billion by year's end as King Faysal pays off the belligerents and supporters of the Arab cause in the October war.

Saudi Arabia, however, will disappoint many aid seekers. The Saudis reject the notion that oil-rich Arabs should assume a major responsibility for world aid.

Saudi aid goes principally on a bilateral basis to other Moslem countries and functions as a personal vehicle of King Faysal. In addition, Riyadh is likely to participate in selected multinational Islamic lending institutions. At best, only token participation can be expected in non-Arab programs, such as the proposed International Monetary Fund arrangement to help oil-importing developing countries.

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FOR THE PRESIDENT ONLY**NORTH YEMEN**

The military take-over in North Yemen yesterday was touched off by a dispute between President Iryani and tribal leaders over the government's handling of a recently uncovered Iraqi-backed coup plot.

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[redacted] The ruling command council, led by armed forces Deputy Commander Colonel Hamdi, assured the US embassy of its intention to maintain continuity in foreign policy, particularly with regard to close cooperation with the US.

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The crisis broke [redacted] Wednesday when Sheikh al-Ahmar, president of the Consultative Assembly and an important tribal leader, chastised Iryani for not taking sufficiently firm measures with Iraq and the local Baathist plotters who wanted to topple the government. Faced with a possible formal motion for his removal in the assembly, Iryani--in office since 1967--resigned and retired to his country home in Taiz.

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Colonel Hamdi, who also was unhappy with Iryani's handling of the Iraqi issue, moved into the political vacuum and announced the formation of a seven-member military command council. He has asked Prime Minister Makki and his cabinet to remain in office, but has suspended the constitution and dissolved the Consultative Assembly.

The military is in control of key installations, but there is a threat of clashes with the tribal forces of Sheikh al-Ahmar, some of whom are in the capital. Hamdi, known to be hostile to tribal influence in the government, will face difficulty maintaining control in the countryside if he does not win the support of Al-Ahmar and other tribal leaders. The dissolution of the Consultative Assembly, moreover, is likely to have further antagonized Sheikh al-Ahmar.

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NOTES

Fedayeen: The radical Popular Front for the Liberation of Palestine - General Command has claimed responsibility for the terrorist attack yesterday on Shamir, a small Israeli settlement near the Lebanese border. A spokesman for the group has said that the attack was designed to upset progress toward a Middle East settlement and cast a pall over President Nixon's visit to the area.

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[redacted] Israel's reaction to the attack may be less forceful than its response to the incident last month at Maalot. There were relatively few casualties this time, and Tel Aviv would be reluctant to have the matter overshadow other issues being discussed during the President's visit.

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UK-EC: In a speech to Parliament this week, Foreign Secretary Callaghan gave the most positive indication yet of the importance the Wilson government attaches to membership in the European Community. The US embassy in London believes Callaghan's speech of June 11 put the opposition on the defensive and laid the parliamentary groundwork for eventual acceptance of the improved terms of membership he hopes to secure for Britain.

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EC-Portugal: At the meeting last week between President Giscard and Chancellor Schmidt, the two leaders agreed that Portugal's membership in the EC would be welcome in principle. If the Portuguese are able to carry through on their present political course, the Germans and the French believe that full, rather than associate, membership would be warranted. Despite the cordial attitude of the EC toward the new Portuguese government, there is concern among the members that Portugal's economic and political problems will prove to be very difficult to resolve.

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Thailand: The Sanya government's offer to raise the minimum wage to a figure just under worker demands has failed to defuse unrest in Bangkok; student and labor demonstrators in large numbers again took to the streets this morning. Minor violence has occurred, according to Thai police messages, and the danger of serious disorders clearly has increased. Similar pressures played a large part in bringing down Sanya's first government last month. He has been reluctant to crack down on demonstrators and might resign before turning to the police or army to restore order.

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